

**Program Guidelines for  
Affordable Rental Units (ARUs) Provided in Exchange for a Density Bonus**  
"ARU Program Guidelines"  
*Effective Date: January 1, 2014*

**BACKGROUND**

**Applicability**

Affordable Rental Units (ARUs) are those affordable dwelling units developed for rental tenancy that were entitled on or after August 1, 2012 in exchange for a residential density bonus pursuant to California Government Code Section 965915-65918 ("Density Bonus Law") and Sunnyvale Municipal Code Section 19.18.025 and 19.67.050, if applicable, ("Local Ordinances"). These Guidelines apply to the leasing, maintenance, management and occupancy of ARUs during the term of affordability restrictions affecting the rental property which obtained the density bonus, as set forth in each project's affordable housing developer agreement (exact title of agreements may vary).

These Program Guidelines have been developed by the Housing Division of the Community Development Department to ensure that the affordable rental units provided by developers granted a density bonus a) comply with Density Bonus Law and Local Ordinances; b) are effectively administered to allow for fair and equal access by income-eligible housing seekers; and c) to ensure the safety and good condition of the ARUs during the term of affordability. In the event of any conflict between these Guidelines, the above-referenced laws and ordinances, and/or the applicable developer agreement, the laws and ordinances and recorded developer agreement shall prevail. The Guidelines are approved by the Director of Community Development.

1. During the term of affordability set forth in the applicable developer agreement, ARUs shall be operated in accordance with the City of Sunnyvale Below Market Housing Program Rental Guidelines in all respects except for the rent and income limits, which shall be as set forth in the Density Bonus Law and in the applicable Developer Agreement, and briefly summarized as follows:
  - a. ARUs designated as "Very Low Income Units" in the applicable developer agreement shall be subject to the rent and income limits set forth in Density Bonus Law, which are based on 50% of Area Median Income in Santa Clara County, as determined annually by the State of California, Department of Housing & Community Development, or successor agency.
  - b. ARUs designated as "Low Income Units" in the applicable developer agreement shall be subject to the rent limits based on 60% of Area Median Income in Santa Clara County, and income limits based on 80% of Area Median Income, both as set forth in State Density Bonus Law and determined annually by the State of California, Department of Housing & Community Development, or successor agency.
  - c. In either case, the affordable rents shall include all utilities provided by the landlord or the appropriate utility allowance for any tenant-paid utilities shall be deducted from the affordable rent amount. Utility allowances are those published by the Housing Authority of the County of Santa Clara and available on the Housing Division website (Housing.inSunnyvale.com) or upon request from the Housing Division.

## 2. Appeals Procedure

In the event that a property manager, owner, developer, or tenant of an ARU has found, upon implementation, that any portion of these Guidelines (including by reference any portion of the BMR Rental Program Guidelines) is overly burdensome, unreasonable, or otherwise problematic as applied to the ARUs, such person may appeal the particular part or section of the Guidelines causing the concern by following the procedures below:

- a. Contact the Housing Officer to briefly explain the concern and request technical assistance and/or determine if a mutually agreeable administrative solution not requiring a change to the Guidelines would resolve the concern.
- b. If Step A (above) did not resolve the concern to the party's satisfaction, an appeal letter may be filed with the Community Development Director. The letter shall briefly describe the concern and the proposed solution desired by the appellant. The Community Development Director shall review the appeal letter, may seek additional clarification from staff and/or the appellant, and will issue a final determination within thirty calendar days or less of receipt. Appeal to the Community Development Director is the final administrative appeal. Appeal letters may be delivered to the attention of the Housing Officer by mail or personal delivery to the following address:

**City of Sunnyvale Housing Division**  
Attn: Housing Officer  
456 W. Olive Avenue / PO Box 3707  
Sunnyvale, CA 94088

For more information or assistance in interpreting these guidelines, or for a schedule of the current ARU rent limits, please contact the Housing Division at (408) 730-7250 or by email to: [Housing@sunnyvale.ca.gov](mailto:Housing@sunnyvale.ca.gov).

See <http://Housing.inSunnyvale.ca.gov> for additional information.